

Exchequer out of the annuity due the bank, and a trace of the theory of the legislation of 1844 appears in the provision that all notes above the sum of ;£ 1,200,000 were to bear a distinguishing mark. The new subscriptions for the capital amounted to ;£i,001,171; and , £200,000 in bank-notes and ;£800,000 in Exchequer tallies, which were both below par, were taken out of circulation. The notes previously issued had borne interest, and now rose above par, while the bank was able to issue non-interest bearing notes which circulated at par. The subscriptions to the additional stock in 1697 seem to have been made by the original shareholders and were repaid to them between 1697 and 1707 from the profits of the bank.

The government was again in serious need of money when the charter was renewed in 1708 until August i, 1732, and the bank was authorized to double its capital of ^2,201,171, and to circulate ^2,500,000 in Exchequer bills. The next extension of the charter was made in 1713 (Statute I., c. n) and continued the bank until twelve months notice to be given after August i, 1742. The subscription lists for the new stock were opened on February 22, 1709, and the whole sum was subscribed before one o'clock. The bank under this arrangement advanced .£400,000 to the government without interest and surrendered ,£1,500,000 in Exchequer bills to be cancelled, upon condition of receiving an annuity of ;£io6,50i. The principal of both these items was added to the permanent debt, which afterwards became the basis of the note circulation of the bank. Calls for additional capital were made upon the stockholders to the amount of ,£656,204 in 1709 and ,£501,448 in 1710. Several of the debts of the government to the bank were consolidated in 1716 and reduced from six to five per cent., and ,£2,000,000 in Exchequer bills were cancelled in 1718 and added to the permanent debt due the bank by the government. The settlement of the affairs of the South Sea Company in 1721 resulted in the purchase of ,£200,000 in annuities by the bank at twenty years\* purchase, making a new addition to the permanent debt of ^4,000,000. These loans increased